

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-09 H-02 INR-09 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14 USIA-12

AID-20 SSC-01 RSR-01 /101 W
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R 281039 Z MAR 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6216

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

USIA WASHDC

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 JAKARTA 3715

CINCPAC FOR POLAD

E. O. 11652: GDS

TAGS: PINT, PGOV, ID

SUBJECT: NEW INDONESIAN CABINET

REF: IR 6845019473

SUMMARY : INDONESIAN CABINET ANNOUNCED MARCH 27 REFLECTS FEW DRAMATIC CHANGES AND MODERATE IMPROVEMENT IN OVERALL QUALITY. NEW CABINET IS SOMEWHAT SMALLER WITH ONLY THREE NEW FACES BUT THERE HAS BEEN CONSIDERABLE RESHUFFLING. PRESIDENT SUHARTO HAS PASSED HIS TWO MILITARY JOBS (MINISTRY OF DEFENSE AND COMMANDER- IN- CHIEF OF THE ARMED FORCES) TO GENERAL PANGGABEAN IN WHAT LOOKS LIKE AN EFFORT TO CIVILIANIZE THE PRESIDENCY. THE POSITION OF THE TECHNOCRATS HAS BEEN marginally IMPROVED, AND THE CUSHIONED DOWNFALL OF TRADE MINISTER SUMITRO (WHOSE REPUTATION HAS LONG BEEN TARNISHED) IS NO CAUSE FOR SORROW. MAINSTAYS OF THE OLD CABINET WHO REMAIN INCLUDE MALIK (FOREIGN AFFAIRS) AND AMIR MACHMUD (INTERNAL AFFAIRS).
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END SUMMARY

1. PRESIDENT SUHARTO WENT BEFORE TELEVISION CAMERAS ON THE EVENING OF MARCH 27 TO ANNOUNCE THE FORMATION OF " DEVELOPMENT CABINET II". THE NEW CABINET CONSISTS OF SEVENTEEN MINISTERS HEADING DEPARTMENTS (A REDUCTION OF ONE DUE TO COMBINATION OF MANPOWER WITH TRANSMIGRATION AND COOPERATIVES, AND FIVE MINISTERS OF STATE WHO DO NOTERSTANDING OF PERTAMINA' S PROBLEMS. ON THE OTHER HAND, IBNU ' S LEAST FAVORITE TECHNOCRAT, FINANCE MINISTER ALI WARDHANA, HAS RETAINED HIS PORTFOLIO - GOOD NEWS BUT NO SURPRISE.

7. THE FORTY- YEAR OLD SUMARLIN (AMERICAN TRAINED WITH AN MA FROM BERKELEY IN FINARXE AND BANGKOK AND A PHD IN DEVELOPMENT ADMINISTRATION FROM THE UNIVERSITY OF PITTSBURGH) IS THE ONLY CASE WHERE A YOUNGER, LESSER-KNOWN INDIVIDUAL IS BEING ADVANCED FROM RELATIVE OBSCURITY (HE WAS PREVIOUSLY DEPUTY FOR FINANCE AT BAPPENAS AND SPECIAL ASSISTANT AT BANK OF INDONESIA). SUMARLIN (WHO HAS CLOSE CONTACTS WITH THE OPSUS- GOLKAR BRAINTRUST) WILL REPORTEDLY BE " THE CATHOLIC" IN THE NEW VABINET (IN PLACE OF FRANS SEDA WHO WAS DROPPED) JUST AS THE INFINITELY LESS INTERESTING MINTAREDJA AND SOENAWAR SUKOWATI WILL PROVIDE REPRESENTATION FOR THE PDI (NATIONALIST- CHRISTIAN) AND PPP (ISLAMIC) PARTIES RESPECTIVELY.

8. LAST BUT NOT LEAST, ADM MALIK' S RETENTION (AGAIN NO SURPRISE) WILL GUARANTEE A CONTINUNG FLOW OF OFTEN CONTRADICTIONARY BUT USUALLY SHREWD PUBLIC COMMENT FROM INDONESIA' S TOP DIPLOMAT. HIS SURVIVAL INDICATES THATMUCH AS THE GENERALS MAY SOMETIMES BE ANNOYED BY MALIK, HIS PRESTIGE AND GENIUS FOR ACCOMMODATION MAKE HIM A MAN WHO WOULD BE VERY HARD IF NOT IMPOSSIBLE TO REPLACE.
GALBRAITH

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C O N F I D E N T I A L SECTION 2 OF 2 JAKARTA 3715

6. THE ECONOMIC PORTFOLIOS ARE IN HANDS AS COMPETENT (OR MORE SO) THAN THOSE THAT HELD THEM PREVIOUSLY, AND THE POSITIN OF THE TECHNOCRATS HAS BEEN STRENGTHENED SOMEWHAT. PROFESSOR SUMITRO' S REPUTATION HAS LONG BEEN TARNISHED BY HIS CORRUPTION AND INEFFECTIVE MANAGEMENT OF THE TRADITIONAL EXPORT SECTOR, AND HIS GENTLE OUSTER TO WHAT WILL PROBABLY BE A LARGELY CEREMONIAL MINISTER OF STATESHIP IS NO CAUSE FOR SORROW. HIS SUCCESSOR, RADIUS PRAWIRO, WILL HOPEFULLY DO A MORE WORKMANLIKE JOB, ALTHOUGH SOME FEAR THAT HE LACKS SUFFICIENT BACKBONE TO REMAIN INDEPENDT OF STRONG PRESSURES IN AN EXCEEDINGLY DIFFICULT POSITION. PRAWIRO' S REPLACEMENT AS GOVERNOR OF THE BANK OF INDONESIA, RACHMAT SALEH, IS HIGHLY COMPETENT, AND HAS IN FACT BEEN LARGELY RUNNING THE BANK FOR SOME TIME. PROFESSOR SADLI' S NEW MINISTERSHIP MEANS(HE REPORTS) THAT HE WILL NOW GET COMOLETELTY OUT OF FOREIGN INVESTMENT BOARD ACTIVITIES, LEAVING THEM TO SUHUD (WHO ALREADY HANDLES ALL BUT A FEW POLICY ISSUES). SADLI' S APPOINTMENT WILL BE WELCOME TO IBNU SUTOWO, (PERTAMINA IS OFFICIALLY UNDER SADLI' S NEW AEGIS) WHO
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FEELS THAT SADLI IS ONE OF THE FEW TECHNOCRATS WITH KNOWLEDGE OF THE REAL (BUSINESS) WORLD AND UNDS

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*** Current Classification *** CONFIDENTIAL

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